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Public Choice Theory and Rental Housing: An examination of rental housing contracts in Ghana

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Abstract

This paper extends both the literature on rental housing in Ghana and the global literature on the critique of public choice analyses in terms of focus, methods, and positioning. It argues that, contrary to the assumption that all housing policy changes are driven by internal national processes, in the case of Ghana at least, neither tenants (through their use of their greater numbers) nor landlords (through the use of their stronger financial and hence political power) exclusively influence housing policy. Both parties have some power, but landlords use theirs to change rents arbitrarily and decide whom to invite or keep as tenants, while tenants seek to use their power by lodging complaints with the state, albeit to little effect as the power of landlords is overwhelming. There is a strong basis to call into question the public choice argument that it is fair for landlords to extract windfall rent from tenants since their efforts or talents do not increase rent.

Key words: Public choice, rental housing, housing policy.

1. Introduction

Most evaluations of public choice analyses on rental housing (see, for example, Fallis, 1988; Epstein, 1988; Arnott, 1995; Basu and Emerson, 2000; Basu, 2007; Grant, 2011; Kattenberg, 2014) are centred on the idea that the regulation of rental housing is based on self-interest of a majority of housing consumers or powerful housing suppliers (methodological individualism) and internal national processes (methodological nationalism). In these analyses, the typical claim is that landlords are fully entitled to the rent they extract because of their contribution to its creation through talent and effort and hence no major regulations intended to bring about just rent and housing provision are warranted.

Political economists inspired by the work of Henry George, in particular, provide a different analysis. For them (see, for example, Stilwell and Jordan, 2004; Obeng-Odoom, 2015), rent is socially created, for instance, through public services and citizens' actions as well as the application of new technology to production, population growth, and speculation. It follows that, it is not solely landlords whose activities lead to the generation of rent. In turn, the landlord class is not deserving of the right to appropriate rent. The private appropriation of such rent creates major social problems. So, rent, from this perspective, must be returned to the nation-state to be put to collective purposes. The state fails to do so, according to these Georgist political economists, because it is usually held hostage by landlords or other power groups whose interests intermingle with those of landlords.

Such debates can only be resolved empirically, as famously argued by Alchian and Demsetz (1972), two leading new institutional economists. In doing so, the relevant questions to address are: (1) do tenants use their greater numbers to drive housing policy changes or landlords use their stronger financial and hence political power in a self-interested way to influence housing policy?; (2) In what ways do landlords and tenants use their relative power?; and (3) Do landlords contribute to the rise in rent through talent and investment and hence justify their extraction of growing amount of rent?

Existing studies do not answer these questions. In Ghana, the studies that come closest to doing so only focus on elements which can be used to help in answering the questions, namely: (a) landlord-tenant relationships (Luginaah et al., 2010; Arku et al., 2012); (b) (rental) housing policy changes (Tipple and Korboe, 1998; Yeboah, 2005; Arku, 2009); (c) political economic analysis of rental housing as an alternative housing form (e.g., Obeng-Odoom, 2011a); (d) landlord-tenant-agent relationships (e.g., Obeng-Odoom, 2011b; 2015);

and (e) the history, evaluation, and long-term effect of rent control regimes (Tipple, 1988; Malpezzi et al., 1990; Willis et al., 1990; UN HABITAT, 2011). In Africa, more widely, there is a body of some work on public choice analysis, but it is focused on explaining the causes and consequences of corruption. In particular, John Mukum Mbaku has worked extensively in this area, writing papers that have appeared in journals such as *Journal of Asian and African Studies* (Mbaku, 2008) and two major books on the theme (*Institutions and Reforms in Africa: The Public Choice Perspective*, 1997; and *Corruption in Africa: Causes, Consequences and Clean Ups*, 2010). Yet, Mbaku's important contributions are focused entirely on corruption in political processes in Africa than rental housing. Similarly, the global literature on public choice and housing centrally focuses on the assumption of methodological individualism and the rise of gated housing communities, stressing questions about ownership of housing in restricted urban spaces (see Cséfalvay, 2011a, 2011b) rather than the rental relation. So, we do not, as yet, have the empirical basis for answering the questions raised in this paper.

In seeking to close these gaps, this article focuses on rental housing in Ghana as a case study complemented by two additional methods: hedonic econometrics and legal and policy document analysis. The paper argues that, contrary to the assumption common in public choice analysis that all housing policy changes are driven by internal national processes, in the case of Ghana at least, neither tenants (through the use of their greater numbers) nor landlords (through the use of their stronger financial and hence political power in a self-interested way) exclusively influence housing policy. Landlords have considerable power, which is typically used to change rents arbitrarily and decide whom to invite or keep as tenants, while tenants seek to use limited landlord power by seeking State protection through lodging complaints with the State (rent control department and the law courts), albeit the effect is very little as the power of landlords is overwhelming. Still, policy changes are mainly driven by global and national policy agendas rather than as a reflection of a well-organised lobby by landlords/tenants. Nevertheless, State housing and urban regulations more generally have been beneficial to landlords, driving up rents and strengthening the power of landlords to extract as much rent as possible. As landlord contribution to rent increases is either zero or minimal, and neither their talent nor effort contributes to rent increases, there is a strong basis to call into question the public choice argument that it is fair for landlords to extract windfall rent from tenants. Thus, in terms of focus, methods, and the

positioning of this study, we extend the literature on Ghana, Africa, and the global literature on the critique of public choice analyses.

The rest of the paper is divided into four parts, looking respectively at the context of rental housing in Ghana, theoretical issues, methodology, and results.

2. The Rental Housing Context in Ghana

Rental housing is a major and increasing tenure in Ghana. Rental housing was held to be about 22.1 per cent (UN-HABITAT, 2010, p.2) just before the 2010 Census but 31.1 per cent (Ministry of Water Resources, Works and Housing, 2015, p. 7) of the total housing stock in Ghana after the Census. Of this share, only 2 per cent is owned by the State (Co-operative Housing Foundation International, 2004). It follows that the dominant form of rental tenure in Ghana is private renting. One notable feature of Ghanaian housing policy, despite its pro-market orientation, is the continuing maintenance of rent control law. The control of rent was a feature of pre-independence Ghana. Indeed as far back as 1947, a decade before independence, the country was utilising such policy. Right through independence, the post-independence military regimes and civilian governments, rent control has never been removed (Kufuor, 1993; Grant and Yankson, 2003). Today, there is the Rent Act of 1963 which has guidelines on rental housing, from bonds through the provision of avenues for dispute, to how much of a rent should be charged upfront.

Renting of housing is very common in urban areas in Ghana. Forty six per cent of urban residents rent their accommodation. In Kumasi, Ghana's second largest city, the share of the urban population renting is 57 per cent (Obeng-Odoom, 2011a), while in the Accra Metropolitan Area, 67 per cent of residents are renters (Gough and Yankson 2011). This substantial level of housing arises because households find it extremely difficult to enter into the Ghanaian housing market as owners for reasons such as the constraints in land acquisition (Abdulai and Ndekugri, 2007), high and rising costs of home ownership (Arku et al., 2012; Awanyo, 2009), low incomes for the vast majority of people (Ametefe et al., 2011) and the problem of severe housing shortages.

Yet, entering and staying in the rental market is not easy for renters. The prevailing diagnosis of the problem is that this difficulty is a problem of inadequate rental housing supply, which private landlordism is best suited to address' (Arku et al., 2012). So, a major objective of the current *National Housing Policy* (Ministry of Water Resources, Works, and Housing, 2015,

p. 17) is ‘To create an environment conducive for investment in rental housing’. In pursuit of this objective, the State seeks to use a combination of market and regulatory approaches such as providing incentives for rent-to-own schemes, supporting the repair and rehabilitation of old and disused housing for re-use as rental units, and making the development of rental housing mandatory for property developers (Ministry of Water Resources, Works, and Housing, 2015, pp. 17-18). In this sense, the *National Housing Policy of Ghana* is consistent with how Jane Jacobs (1961, Chapter 17) famously considered that urban housing problems can be addressed by redistributing public funds into private hands of landlords.

While this emphasis on private solutions for such a major public problem is consistent with public choice theory with its focus on State failure and market efficiency, Marxist theories of rent suggest that private landlordism is a formula for even more trouble. In between these polarised positions, there are other rental theories that are much wider and, together with public choice and Marxist formulations, can help to better understand rental housing in Ghana and hence help address the research questions of this paper.

3. Theoretical Framework

The nature of rental systems, especially, how they emerge and operate as well as their consequences for society has been widely theorised. Such frames are important to review because they serve as ways in which we can understand what is happening around us and, even more precisely, enable us to better address our research questions. Three of these theories require particular emphasis because of their influence: Public Choice Theories, Marxist Theories, and Theories of Rental Typologies.

Public choice theories – following the work of George Stigler (1971) - posit that rental housing markets are ‘political markets’ (Fallis, 1988; Epstein, 1989; Arnott, 1995). Stigler’s work received an extensive update in the 1990s by a towering figure in neoclassical economics: Milton Friedman (1999). More recently too, Stigler’s work has enjoyed current applications (e.g., Felgendreher and Lehmann, 2016). In these theories, renters and landlords are likened to voters, while politicians in charge of rent policy, are likened to sales people. Self-interest is the common feature of all actors in the market. In this sense, politicians will do everything possible to win votes. For their own self gain and renters/landlords exercise their votes in a way to maximise their satisfaction of housing and housing services. In a situation when renters dominate the society, they can be expected to exert power to institute

rent policies that curtail the rent increases and amplify services they obtain from landlords. They are more likely to exert that power if: (a) the supply of rental housing is inelastic (such that renters struggle to find new rental housing); (b) there are high transaction costs (such that it is difficult to move to new housing in terms of getting information about movement and so on); (c) they focus on greater social networks and relationships; and (d) they care about equality.

The landlord class can sponsor bills, laws, and programmes to keep their status – even if they are undeserving of the advantage. So, in cahoots with State agencies, landlords can help to provide regulations that extend the power of their class.

Politicians must do what landlords/tenants want because, as self-interested persons, seeking re-election, the more they satisfy landlords/tenants (depending on who are in the majority), the higher their chances of re-election. As Stilwell (2012, pp. 206-207, *italics added*) note about public choice theory:

It represents politicians and bureaucrats as subspecies of *Homo economicus*, self-interested individuals whose actions are calculated responses to vote-maximising processes. They tend to implement policies to satisfy the demands (and secure the votes) of sectional interest groups, systematically violating any broader national interest. Manufacturers win the tariff protection they seek, unions secure minimum wage legislation, *housing tenants get rent control*

Indeed, landlords are likely to support a tenant-friendly regime under circumstances when tenants are dominant because of two reasons: (a) fear of revolution, which may cause the landlords to lose everything; and (b) fear that, through revolution or force majeure, they will become tenants too and they may suffer.

The implied position here is that landlords are entitled to the value of their property because it is their effort that contributes to such value creation or it is their *talent* that makes this contribution. Consequently, it is both substantively and normatively fair for landlords to keep their land and value. In turn, property-based neoliberalism is endorsed in the public choice theory, as shown in Stilwell's (2012, p. 207) review.

Marxist theories are rather different, both in their diagnosis of the nature of rental systems and their policy preferences. As an extensive body of work (e.g., Harvey, 1973, chapters 2, 5, and 6; Edel, 1977; Stilwell, 2012, chapters 11 and 12; Munro, 2013; Obeng-Odoom, 2015) in

this genre shows, they look to the economic structure per se as the driver of rental regimes. In particular, they consider how capitalists extract surplus value from labour in a conflictual, often labour-exploiting dynamic. In this process, the extraction of rent (as one of the elements of surplus value) by landlords from tenants is akin to how capitalists exploit workers. But, unlike profits that tend to be re-invested in the capital accumulation process, rent extracted by landlords can cause a contraction and a break to the accumulation process, as landlords may not re-invest. In this sense, landlords are particularly powerful. Their power emerges from the nature of the rent they draw: (a) if from location (differential rent 1), they obtain rental power from merely owning land of a superior locational quality; and (b) if from some investment in location (differential rent 2), they obtain rental power which is often not commensurate with how much they have invested. Location rent itself can give rise to a different kind of rent: absolute rent, which is contingent on the mere fact that landlords can command rent and, although not a monopoly rent, can give rise to monopolistic conditions. Unlike differential rent 1 and 2, which is held by Marx to be part of surplus value and hence have no effect on price, absolute rent can serve as the basis for extracting additional rent.

The Marxist theories of rent offer important theoretical insights. For instance, their accounts of the emergence of rent suggest a strong link between use and exchange value. When land use changes from the satisfaction of human need to the extraction of profit and rent, the use value of land transforms to exchange value and with that transformation comes deleterious implications for human need. In this sense, while public choice theories (steeped in neoclassical theory) see a total disconnect between use and exchange value, the Marxist theories of rent show a *dialectical* relationship between use and exchange value.

The policy implications of this theoretical analysis is espoused by Friedrich Engels in *The Conditions of the English Working Class in England* (1845) and *The Housing Question* (1872), but they are updated in various publications by Harvey (2008 and 2012). In these formulations, the housing question can never be satisfactorily answered except through the abolition of capitalist systems, be they private provision of ‘affordable rental housing’ or public provision of private rental systems. Social housing systems managed by workers and social co-operatives can work well but only if they are seen as complementary to programs that abolish the exploitation of workers.

Scholars such as Jim Kemeny, Peter Kemp, and Tony Crook posit alternative ways of understanding rental regimes. Largely dissatisfied with the determinism of Marxist theories

especially, but also other theories on rental housing, Jim Kemeny offered his 1995 blockbuster *From Public Housing to the Social Market* in which he sought to look at various typologies of rental housing. The focus here is developing more grounded, context-specific understanding of rental housing, the common view being that even though there are patterns mostly in the English-speaking advanced capitalist nations, each rental housing system is quite distinct. In turn, a middle-of-the-road theory that charts a path between the particular and the general is what is needed. Mark Stephens' (2017, p.2) recent extensive review of the large body of work by Kemeny found that Kemeny identifies three causes of housing regimes: the balance of power between capital and labour, its mediation through social and political structures, and what can be thought of as an underlying ideology. Stephens (2017) himself prefers some more grounded work, especially giving that even Kemeny's typologies are becoming anachronistic.

In this sense, the continuing effort of Peter Kemp and Tony Crook requires highlighting. Kemp and Crook have been working on rental housing typologies for over three decades (focusing especially on private rental housing sector), but they crowned their effort with a 2011 book: *Transforming Private Landlords: housing, markets and public policy* (2011), which was very positively reviewed in this journal (Hickman, 2012). Three years later, they extended their work to the developed world beyond Britain and the UK in an edited work: *Private Rental Housing: Comparative Perspectives* (Crook and Kemp, 2014).

To build on these theoretical contributions, it is important to find a way to draw on their strengths to give voice to areas where they have had little or nothing to say: Africa. Focusing on this region is clearly important, but how to do it requires additional theoretical framing.

The non-Western, especially Asian/African, literature (e.g., Trescott, 1994; Cui, 2011; Obeng-Odoom, 2015; Haila, 2015) suggests that Georgist analysis of rent can be a useful bridge to help unite and evaluate the existing Public Choice claims about rental housing. Better able to use *social provisioning* as a wider framework for analysis, Georgist political economy offers a sharper analytical lenses into which other ideas can percolate. Centred on power relations and a social theory of the State as developed by the American economist and social reformer, Henry George (George, 1879), it has sometimes been praised by even Marxists (see, for example, Harvey, 1973, chapter 5). George died in 1897, so his own contributions are now dated. Yet, followers of his approach, Georgist land economists, have consistently updated his approach (see, for example, Gaffney, 2008, 2009; Stilwell and

Jordan, 2004; Pullen, 2014; Peirce, 2015; Rybeck, 2015; Gaffney, 2015; Giles, 2016). In this approach, interest groups with power, particularly, the class of landlords, manipulate the political process for their class interest. They may be small in numerical terms, but their control of resources makes it possible for them to tilt the balance of decisions in their favour and protect themselves from the majority. For Georgists, the interest of landlords is opposed to all other classes, as they seek to monopolise the world which has been given to us in common. Even worse, they privately appropriate the value which is socially generated by the public. As long as this dynamic remains, the housing question shall remain intractable, landlords will continue to wield power over both tenants and the State, and social problems will continue to worsen.

These competing perspectives raise the following questions: (1) do tenants use their greater numbers to drive housing policy changes or landlords use their stronger financial and hence political power in a self-interested way to influence housing policy?; (2) In what ways do landlords and tenants use their relative power?; and (3) Do landlords contribute to the rise in rent through talent and investment and hence justify their extraction of growing amount of rent?

These questions are interrelated. Indeed, it might be argued that questions 1 and 2 are the same. Yet, the research questions are distinct. Question 1, for example, directs attention to the *absolute* use of power, while question 2 puts the focus on the *relative* use of power between tenants and landlords. The focus on *interactions* of power in the second question means that it is the issue of hierarchy that is in focus in the second whereas the first question centres on what tenants do as tenants and landlords do as landlords. As Alan Bryman (2008, p. 74) notes in his highly influential text, *Social Research Methods*, it is such features (the close interrelationships among research questions, the link between research questions and theory, and the connection between research and previous research), that make for good social science research questions. To effectively address these research questions, it is important first to turn to a discussion of the methods of data collection, description, and analysis as well as the philosophy behind our chosen approach.

4. Methodology

A mixed methodology, a combination of both the quantitative and qualitative methodologies, is adopted to address the three research questions identified in Section 1.

The hedonic pricing model (a quantitative method) was used to address the third question whilst the first research question was answered via a critical analysis of existing literature. The second research question was addressed using a qualitative research method.

The hedonic pricing model estimates the influence of or the marginal contribution of each property and neighbourhood characteristic to the rental value. The hedonic model used for this study is of the form:

$$Y_i = \alpha + \sum_{i=1}^I \beta X_i + \sum_{i=1}^I \gamma D_i + \varepsilon_i$$

Where:

- Y_i represents the dependent variable, the natural logarithm of the rental value of the property i . The log transformation of the dependent variable is used because it makes the interpretation of the regression coefficients easy – as the percentage change in the value given a unit change in the housing attribute; allows for variations in the currency value of each housing characteristic and finally helps to minimise the problem of heteroskedasticity (Owusu-Ansah, 2013; Follain and Malpezzi, 1980);
- α is the constant term which measures the rental value of a house assuming all the characteristics are set to zero;
- β represents the regression coefficients associated with the exogenous independent variables (the housing and locational characteristics), X of property i ;
- D is a matrix of dummy variables, which represents the various residential classes, the availability of garage, fence wall, swimming pool, land registration and the yearly time dummies of property i ; and

- The stochastic or error term, ε , represents all relevant attributes of property i that are not captured by the matrixes X and D . This means that no omitted variable bias problem exists.

The data for the quantitative analysis was collected from various houses whose tenants and landlords were interviewed. In all, data was collected from a total of 544 properties and all these were used for the analysis. The variables included in the dataset and useful to the study were rental values, number of bedrooms, dwelling type (whether detached, semi-detached, flat, etc.), condition of property (whether good, average or poor), and location of property. The locational element of the analysis in this paper has been dealt with by classifying residential locations into submarkets based on broad neighbourhood characteristics, following an approach similar to Owusu-Ansah and Abdulai (2014) and Gallimore et al. (1996). The study focuses on urban Ghana, using the cities of Accra (the capital of Ghana) and Tema as case studies. All property records were classified into five submarkets identified primarily by a residential zoning typology devised by the Ghana Ministry of Local Government (Ministry of Local Government, 1990), allotting to each zone titles which reflect the overall status of each zone. These zones are: (i) Upmarket comprising Airport residential area, Cantonments, East Legon, Labone, Ridge, Roman Ridge and the Switchback road; (ii) Gated market comprising East Legon (Golden Gate) and East Legon Extension (Trassaco Villas); (iii) Emerging upmarket comprising Abelemkpe, Dworwulo, East Legon Extension, North Legon and West Legon; (iv) Middle-income market comprising Achimota, Adenta, Dansoman, Dome, Okpoi Gonno, Kaneshie and Teshie/Nungua Estates; and (v) Tema comprising Communities 4, 5, 18-22 and Sakumono (Ministry of Local Government, 1990).

With the qualitative analysis, a total of 325 property owners and 344 tenants were interviewed within a period of approximately six months. The total of 669 interviewees was determined through data saturation (Strauss and Corbin, 1990). The purpose of the interview was to understand the interviewees' perceptions of the rental housing market within their environments and the economic and legal implications of the current rental arrangements. The research instrument designed for the tenants was separate from that of the landlords for ease of reference to questions during the interviews. However, some of the areas covered by the interview questions were the same for both categories of participants. In broad terms, the interview questions covered the following areas: rental values, number of bedrooms, dwelling type, condition of property, and location of property (tenants and landlords); availability of housing units for rental purpose (tenants); knowledge of Rent Act 1963, especially, its

provisions regarding rent advanced payment and the extent to which such provisions are complied by landlords (tenants and landlords); how advance payments are funded (tenants); performance of contractual obligations (tenants and landlords); and type of disputes experienced and their resolution (tenants and landlords). The stratified sampling technique was used to select the participants.

The study area was grouped into the five main zones as determined by the Ministry of Local Governments as indicated in the previous paragraph. The purpose was to make sure that each of the zones is fairly represented so that a generalisation can be made from the sample drawn. Ten research assistants helped in the data collection. Of these assistants, at least two were assigned to each zone to interview the respondents. These Research Assistants were recruited and paid for the data collection purpose only and they live in and understand the housing submarkets assigned them and could also speak the language of the respondents. All the Research Assistants were recruited from the Department of the first author and they all had experience doing similar surveys on other projects. The researchers avoided interviewing tenants and landlords from the same house (except in a situation where the verification of the rental value was necessary) in order to ensure conducive atmosphere and biased free responses. The interviews were conducted face-to-face from October 2015 to March 2016 and each interview lasted between 45 minutes to one hour. The researchers for each of the zones indicated above decided on the days and times that were convenient to them and they thought the target participants would be at home. However, a significant number of the interviews were conducted during the weekends when most people were at home albeit other interviews were carried out during the week days (Monday to Friday), especially in the evenings when most people would have returned from work.

Because both quantitative data and qualitative data were required for the analysis, closed, semi-structured and open-ended questions were provided. The checklist provided by the researchers was made flexible so that new questions could be added when it became necessary during the data collection process. The themes and constructs related to the key research questions guided the analysis and the next section presents and discusses the empirical results.

5. Results, Analysis, and Discussion:

4.1 Do tenants use their greater numbers to drive housing policy changes or landlords use their stronger financial and hence political power in a self-interested way to influence housing policy?

One way to answer the question is to look at rental housing policy, how it has evolved, and what the drivers of change have been. Yet, there are no coherent rental policies to evaluate for their evolution and drivers. As a recent authoritative survey of housing policy and experiences in Ghana (UN-HABITAT, 2011, p.22) has shown, ‘the renting of rooms has been ignored in policy’. The current *National Housing Policy* (Ministry of Water Resources, Works, and Housing, 2015) acknowledges the importance of rental housing, but only briefly (mainly on pp. 17-18). To overcome this challenge, we have constructed rental policy changes based on the analyses of fragmentary evidence contained in some of the best work on housing in Ghana. Our findings are set out in Table 1.

Insert Table 1 here

It is important to exercise caution in reading Table 1 to identify what it shows and what it does not. The evidence is mixed. There is much continuity in terms of the prevalence of the rent-free family compound house in most parts of the country. Indeed, as noted by UN-HABITAT (2011, p. xxii), ‘Though the traditional compound house is now hardly being built, the majority of households in urban Ghana occupy rooms in compounds (55 per cent). Yet, there have also been important changes in housing, specifically in terms of who provides housing, what idea of housing underpins policy, the determination of rent by multiple institutions, and the form that rental housing takes (see, for example, Arku et al., 2012). Starting from a period when there was no renting because people lived traditionally (Peil, 1976), colonialism and, related to that, migration started to introduce renting as a possible housing form and for people to accept to welcome ‘tenants’, although the state still provided more housing to its employees (Konadu-Agyemang, 2001). It was only after independence that the door on renting opened but even then landlords could only charge controlled rents (Tipple, 1988; Malpezzi et al., 1989). Although a rent control Department exists, it has practically abandoned its role of dealing with enforcement of rent control (Obeng-Odoom, 2011a; 2011b).

Public choice theory holds that these changes must have emanated from pressures from tenants or landlords. However, the evidence shows a more complex reality. Earlier studies on rental housing showed the destructive effects of rent control for which reason they called for its removal. These papers came from Stephen Malpezzi's team (Malpezzi et al., 1986; Tipple et al., 1997; Tipple, 1999) which argued that the prevalence of rent control was creating a black market, was responsible for the shortfalls in rental housing and was responsible for poor maintenance of rental houses. On these bases, they advocated the removal of rental regulations. To them, a free rental market was conducive to better quality, higher quantity, and lower cost rental housing at least for those who were not already tenants. None of these studies, however, was commissioned by landlords or tenants.

Rather, they were supported by the World Bank – the same institution that was behind the adoption and implementation of structural adjustment programmes in Ghana. As Obeng-Odoom (2013a) has recently shown, the World Bank also directly funded three related programmes aimed at stimulating the market in housing. These included the *Accra District Rehabilitation Programme*, the *Priority Works Programme*, and the *World Bank Urban II Programme*. The current *National Housing Policy* is another example of the multiplicity of interests, some local but mostly international, that drive housing policy. As noted in the foreword (Ministry of Water Resources, Works and Housing, 2015, pp. i-ii) of the policy:

The National Housing Policy went through various stages of formulation for over a decade. There were numerous consultations with major stakeholders including the private sector, all aimed at promoting ownership of the Policy and also to enhance its implementation. Furthermore, the focus of Government policy in terms of socioeconomic development had shifted with the adoption of the Millennium Development Goals (MDGs) and the Ghana Shared Growth and Development Agenda II (GSGDA II) thereby necessitating an integration of the objectives of the MDGs and GSGDA II into any new National Housing Policy. This makes the Policy more relevant to current demands for safe, decent and secured affordable housing for all. The Ministry of Water Resources, Works and Housing wishes to acknowledge with thanks and much appreciation the financial and technical support that was given to the whole exercise, from inception to formulation of the policy, by UN-HABITAT and all stakeholders.

The urban authorities also had their own visions which intersected with the imposed strategy. In Accra, examples are the *Accra Area Re-Development Scheme*, *1992/3 Accra Central Area Development Plan*, the *Sustainable Development Integrated Plan*, and the *Perspective Plan*. The Bank, of course, was echoing wider global preferences that endorsed, indeed supported, the switch from State led developmental processes to market-based development.

These changes have often been described as neoliberalism or the roll back of the State and the extension of market forces in all spheres of urban society. What is happening in Ghana, however, must be described more specifically as neoliberal ideology, neoliberal political practices, and neoliberal social movement – to use Stilwell's (2014) typology. The changes in Ghana are ideological in the sense that they echo neoclassical economic theory of markets as an engine for efficiency and in Austrian economic traditions, especially of the Hayekian type emphasising markets as the guarantor of individual freedom. The changes are ideological because they are social Darwinist in form. It is ideological because it was spread through ideas of change. These changes are neoliberal in their political practices because political parties and governments are pursuing or committed to pursuing policies that extend the market. As a study of urban development by examining the political manifestos of major political parties in Ghana (Obeng-Odoom, 2010) shows, most political parties have increasingly come to accept the market-led approach to rental housing provision.

Finally, the changes constitute neoliberal social movement because they are legitimised by think tanks, NGOs, and other non-state bodies. This faith in the private rental market has been institutionalised – again with the implicit or explicitly support of the Bretton Woods institutions. Think tanks and private research bodies committed to expanding neoliberalism in Ghana to extend the reaches of the market emerged largely in response to available donor support (Ohemeng, 2005). This donor support is tied to pursuing a neoliberal agenda in the country, so the more neoliberalism is spread, the more support from the IMF, the World Bank, and other donors.

The problem of housing deficit seems to put tenants at the mercy of landlords. First, landlords take advantage of these housing pressures by setting high rental prices. According to the City and Business Guide (2008) as reported by Arku et al. (2012), rental values increased by over 180% in 2008 in Accra. Second, even though the Rent Act of Ghana (1963), Act 220 specifies that landlords can charge up to a maximum of six months' rent as 'rent advance' to enable tenants enter into rental contracts with landlords, there is evidence to suggest that potential tenants are required by their landlords to make advance lump-sum rental payments which cover a period of about two to five years (Arku et al., 2012). This obviously would add up to the undue pressure on existing and potential tenants. Indeed, there is evidence that suggests that the payment of such huge sums of money by tenants prior to entering into a rental contracts (rent advance payment) has succeeded in keeping a lot of potential tenants from the rental housing market and most of the people already in the market are not able to

survive due to the difficulty in raising extra lump sums upon the expiration of the existing leases (Luginaah et al., 2010; Gough and Yankson, 2011; Arku et al., 2012).

In addition to the lump sum rent advance payment, there are a number of items that the Ghana Rent Act (1963), Act 220, specifies but the contrary seems to be in practice. For example, the Rent Act requires either the landlord or the tenant to give three months' notice before the rental contract can be terminated but this hardly happens (Arku et al., 2012). The Act also specifies the duties of both the landlords and the tenants with regard to the maintenance of the house but again, the tenants seem to perform all such duties.

In short, landlords in Ghana are quite powerful, but they hardly lobby for bills. The same can be said of the majority of real estate agents and tenants in Ghana: they have associations, but they do not push for particular bills. Property managers, investors, valuers, and fund managers, however, lobby for bills through the Ghana Institution of Surveyors - but they have very little power as a group when compared to the other avenues for change (Obeng-Odoom, 2011b).

It is this combination of factors – from local to traditional- that explains rental housing policy changes and will continue to define it. Indeed, since the early 1990s, rental levels have been determined according to market forces. In practice, the Rent Act – although existing - is not enforced by the Rent Control Department under the Ministry of Water Resources Works and Housing (Rent Control Department, 2010). Also, the State has gradually been withdrawing from the provision of housing. A case in point is the investment behaviour of the Social Security and National Insurance Trust (SSNIT), a quasi-state institution that was responsible for providing public rental housing units. Its real estate investment constituted 14.1 per cent in 2007, but dropped to 11.4 per cent in 2008, and declined further to 7.0 per cent in 2009 (SSNIT, 2008, p.28 ; SSNIT, 2009, p.24). Another example is the chronic underinvestment in the Rent Control Department. In 2009, the Department had only 66 members of staff, although it required 308 to discharge its duties under the law (Rent Control Department, 2010, p.20). Also, the Tema Development Corporation, a State firm, has been selling off its 6,355 rental units since 1993 (Asabre, 2007).

The State withdrawal from the provision of rental housing, lack of support to the Rent Control Department, and the determination of rental levels according to the forces of supply and demand may be taken collectively as evidence that, in the last 20 years, Ghana has

operated under a de-facto free rental housing regime. More recent commentators on decontrol and liberalisation, such as Asabre (2007), have applauded successive governments for shifting housing policy from State to markets because rent control was ineffective.

Now, in the informal rental market, it is difficult to generalise the level of rent paid by tenants. Rent levels vary within and across urban areas. Within cities, rents are determined by number of rooms, size of the units, site and locational characteristics of the property, the type of the building materials used and the house type (e.g. compound house, single-family detached, self-contained). The rent advance payment system is another common characteristic of the informal rental market. This system is a widespread payment system in Ghana's urban areas (Luginaah et al., 2010). This rent advance system, as mentioned earlier, is characterised by landlords demanding an advance lump-sum rental payments from tenants which cover a period of about two to five years. The scanty literature on the rental housing market in Ghana identifies two main reasons for the rent advance payment. The first reason is that property owners use the lump-sum payments to construct other properties, additional rental rooms or make alterations to existing properties (Tipple et al., 1999; Luginaah et al., 2010; Arku et al., 2012). Secondly, the system is seen as a means of increasing the net value of low rent in the country (Malpezzi et al., 1990; Willies et al., 1990). Not surprisingly, all the studies that established the second reason were conducted about 25 years ago and currently rental values in Ghana, especially, in the bigger cities like Accra, Tema and Kumasi are very high (Konadu-Agyemang, 2001b; Yeboah, 2005; Gough and Yankson, 2011; Arku et al., 2012) and mostly reflect the rental market values, except in those parts of the city where compound or traditional housing prevails such as Nima (Owusu et al., 2008, p. 187).

On the basis of this body of evidence, the public choice account of policy change is less convincing. Many changes have taken place in housing policy in Ghana, but they are better explained by social provisioning or the socio, processual-historical account of open-ended, multiple interactions among various multi-scalar processes (for a detailed account of this mode of explanation, see Jo, 2016, especially p.12). So, the account of social economists, particularly the Georgists, and their reference to context both within and outside the particular housing regime offers a more convincing explanation of continuity and change in Ghanaian housing policy.

5.2. In what ways do landlords and tenants use their relative power?

Public choice theory also makes even important claims about how the *relative* power of landlords and tenants shape housing outcomes. So, it is important to analyse those postulates too in the light of evidence from Ghana. In particular, in what ways do landlords and tenants use their relative power?

The study by Arku et al. (2012) partially addressed aspects of this question by analysing the nature of rental experiences in Ghana, the nature of the tenant-landlord relations in such a constrained market and the role of the rent advance payment system in shaping tenants' housing experiences.

The present study extends that of Arku et al. (2012) by: (i) examining empirically, the factors that determine the rental values; (ii) investigating the economic implications of the rent advance payment system from the perspective of both the tenant and the landlord; (iii) assessing the extent to which both landlords and tenants are protected by the legal system; and (iv) examining the role of the estate agents in the operation of the rental housing market in Ghana. Also, the study area is extended to cover Tema and Accra instead of only Accra as used by Arku et al. (2012).

The tenants interviewed mentioned poor quality of rental accommodation, scarcity of rental units, high rental costs due to the continuous rise in property values, and the rent advanced payment system, frequent and arbitrary breaches of the rental agreements by landlords and sometimes refusal by the landlords to give them rental contracts as some of the problems they encounter when renting. Among these complaints, the high rental cost emerged as the most severe and persistent problem with over 73% of the respondents confirming that it is particularly serious. The scarcity of rental units is usually mentioned as one of the key drivers of the problem (Arku et al., 2012). Landlords knowing about this scarcity and how frustrated tenants could be as a result of the scarcity take advantage of the situation to increase their rent and also charge advanced payment of several months up to three years even though this is contrary to the maximum six months upfront rental payment prescribed by the Rent Act, 1963 (Act 220).

Regarding the rent advance payment system, the tenants expressed mixed feelings about their experiences. Majority of them, 201 out of 344, representing approximately 58% expressed great resentment and disapproval about the system. They argued that the system works

against the poor and it is mostly the rich and the privileged who are able to find decent rental accommodation due to the system. All the tenants interviewed seem to have some knowledge about the “six months” maximum rent advance payment stipulated in the Rent Act and those who spoke against the over six months advance payment system felt abused by the landlords. The tenants who expressed resentment at and disapproval of the rent advance payment system reported that landlords normally demand between one and three years’ rent advance, which makes it difficult to raise such amounts of money. In the words of one tenant, for example, “it is difficult to raise lump-sum money for between one and three years in the name of paying rent”. This finding is not surprising based on the fact that, especially, in a country like Ghana, the standard of living and incomes are low and the banks hardly advance loans for rent payments. Some of these tenants (91 out of 201; that is, about 45%) also felt that, without the rent advance system, they could have invested the money they paid in rent advance elsewhere to earn some interest.

The remaining tenants (143 out of 344 representing 42%) support the rent advance payment system and it was established from their responses that they support it because it provides security and long-term shelter for them as tenants and that is because after the lump-sum payment, one does not have to think about payment of rent again until the long-term contract, which binds the landlord expires and this also prevents the landlords from increasing the rents indiscriminately.

The tenants were also asked how they raised money to pay the lump-sum as rent advance. The responses showed that most of them (206 out of 344 or about 60%) had to rely on friends and family members for help in order to raise the lump sum demanded by the landlord. The remaining 138 tenants (40%) indicated that they had to take some form of rent-advance loans from their employers which they would have to pay with moderate interests. That is, the low standard of living coupled with the shortfall in housing and this rent advance payment system crowd out most potential households from the rental market in Ghana.

The views of the landlords were also sought. As expected, the views expressed by the landlords contradict that of the tenants. Like the tenants, though, the landlords have a fair idea of the Rent Act and the provisions it contains. However, only 86 out of the 325 property owners (26%) charged a rent advanced of not more than six months as stipulated by the law. The remaining 241 landlords (74%) charged a rent advance of more than six months and mostly between one and three years. Their reasons for flouting the Rent Control Act were

revealing. Most (One hundred and thirty (130) landlords representing 54%) indicated that the longer-term rent advances insulates them from any potential future default in rent payments by the tenants. This implies that rent advance payments protects them from any hidden characteristics and moral hazards that the tenants may exhibit after signing the contract. Others (60 [25%] of the interviewees) justified charging rent advance of more than six months on grounds that they sometimes borrowed money to put up the buildings as well as maintain them and so they needed the lump sum money to pay off the loans and interest thereof whilst the rest of the 51 landlords (21%) gave the need for such lump sums as investment purposes; that is, to enable them to invest in property or other economic ventures.

This range of reasons raises the issue about the extent to which landlords and tenants are protected by the legal system in Ghana. We put this question to the respondents, seeking to know if they had resorted to legal action to redress their grievances and, if they had done, probing how they experienced the legal system. In all, 27 out of the 344 tenants representing about 8% had ever sued their landlords concerning their leases or contracts. Most of the tenants (20 out of 27 tenants; that is 74%) indicated that their legal suits related to arbitrary rental increases. This obviously contravenes a provision in Section 19, 1963 Rent Act (Act 220) which stipulates that no landlord of premises shall collect from the tenant of such premises any increase of rent attributable to an increase of rates in respect of such premises, unless he has notified the tenant previously in writing in the prescribed form the amount of the old rates, the amount of the new rates, and where a part of any premises has been let, the amount of the rates attributable to such part, the amount of the increase in rent and the date from which the new rates take effect. The legal suits of the remaining seven tenants (26%) related to threats of eviction. These findings support that of Arku et al. (2012) that tenants mostly complain about rental breaches, rent adjustments and evictions. Surprisingly, only 8 of the 27 (30%) tenants who sued their landlords had their contracts enforced by the courts and the rest (19 or 70%) were advised to do an out of court settlement with the rent control officials as arbitrators.

In terms of the landlords, only 11 of them (3%) had ever sued their tenants. In seven of the cases (64%), the suits came as a result of poor maintenance of the premises by the tenants whilst the remaining four cases (36%) related to non-payment of utility bills for some periods. Again, like the case of the tenants, only four (36%) of cases were resolved in the

courts. The rest; that is, seven (64%) were asked do to an out of court settlement with the Rent Control Department as arbiters.

Both the tenants and landlords who had ever engaged in legal suits expressed serious concerns about the legal system and the Rent Control Office that has been entrusted to resolve some of these rental misunderstandings between the landlords and the tenants. The tenants feel that they are not protected by the institutions and the legal system that is why the landlords intentionally flout the rental rules to their advantage. The landlords also blame these same institutions as doing little to ensure that the tenants are punished when they default in rent payment or breach any fundamental provision in the contract.

Again, this evidence from Ghana problematizes public choice theory. The power of landlords can help to explain the various ways in which they set, charge, and extract rent from tenants. Existing law in Ghana is the product of the country's history and earlier experiments with socialism or, more precisely, Nkrumahism (Obeng-Odoom, 2014, pp. 86-88), so it continues to be characterised by certain protections for the less powerful class of tenants (e.g., in the continuing existing of the Rent Control Department, even if, as earlier argued, the Department lacks strong political support). A monopoly situation over the formulation of law or general housing policies, as suggested by public choice theory, then, poorly explains what pertains in Ghana. Indeed, the symmetrical position taken by the courts whether dealing with cases by landlords or tenants and the consistent encouragement of the court to both landlords and tenants to pursue out-of-court settlement pose difficulties for public choice theory. The monopoly power exhibited by landlords in terms of extracting rent in ways beneficial to that class without following existing law supposedly aimed at protecting the vulnerable tenant class can better be explained in the Georgist-Marxist rental framework. So, in this sense, the Ghanaian experience problematizes the public choice theory. Where even more critical attention is needed, though, is whether, as public choice theory holds, this class of landlords is deserving of the socio-economic advantage it enjoys.

5.3. Do landlords contribute to the rise in rent through talent and investment and hence justify their extraction of growing amount of rent?

To address this question, we conducted a regression analysis. As shown in Table 2, the Adjusted R^2 from the model is approximately 72%. This means that the number of rooms, location of properties, the dwelling type and condition of the building alone explains about

72% of the variation in rental values in the Accra and Tema cities in Ghana. Thus, only 28% is left unexplained or attributable to other factors. The Table shows that all the variables are statistically significant on a 5% level and with the exception of the middle income market, all the variables have positive expected signs.

Location has the greatest impact on the level of rent in Accra-Tema according to the results. When a house is located in the Upper Market (comprising Airport residential area, Cantonments, East Legon, Labone, Ridge, Roman Ridge and the Switchback road), the rental value of that house is approximately 90% higher than the same house but located in Tema. The Table also shows that houses located in the gated housing enclaves (such as East Legon Extension) and those gating hierarchies in emerging gated areas (such as Abelemkpe, Dzorwulu, West Legon) have much higher rental values than similar houses located in Tema by approximately 63% and 23% respectively. The rental values of houses located in Tema are, however, higher than the rental values of similar houses but located in the middle income market. This finding is similar to that of Owusu-Ansah (2012) who reports that location has the greatest impact on the prices of houses in Kumasi with houses prices in the first class residential areas being 100% higher than in the third class residential areas.

Insert Table 2 here

In short, these locational and property attributes cause changes to rental values through demand and supply and, contrary to claims by public choice theory, landlords do not contribute to the rise in rent through talent and investment – as suggested by public choice theory. Consequently, their extraction of growing amount of rent is not justified.

Instead, as much research in Ghana shows (e.g., Asabre, 1981; Gillespie, 2016a; 2016b), rent in Accra, Kumasi, Tema, and indeed in urban Ghana generally, is socially created and as Georgist political economists (e.g., Obeng-Odoom, 2013a; 2013b; 2014) have recurrently argued, must be socially appropriated and socially utilised. An elaboration of this strategy is outside the scope of this paper.

6. Conclusion

Housing studies continues to grapple with whether tenants use their greater numbers to drive housing policy changes or landlords use their stronger financial and hence political power in a self-interested way to influence housing policy. Arising from highly influential theoretical

work in public choice theory, addressing these questions also requires the analyst to consider in what ways landlords and tenants use their relative power and probing whether landlords contribute to the rise in rent through talent and investment and hence whether their extraction of growing amount of rent is justified. Answers to these questions are particularly important now because of recurrent concerns about housing crises and the neglect of rental housing as a major housing tenure.

So, this article has tried to address these issues in the context of Accra and Tema in Ghana, West Africa chosen because they possess the conditions based on which the claims by public choice analysts could be studied empirically. Drawing on extensive interviews, content analysis of key housing legislation and policies, and hedonic price modelling, the present study has revealed that neither tenants nor landlords constitute themselves into a coherent lobby to drive changes in rental housing policy. Both the tenants and landlords in Tema and Accra are aware of the severe housing shortage, but it is the latter which turns this reality into a source of considerable power used to charge rent advance in excess of what the law requires. Even though this practice contravenes the Rent Act of 1963, the tenants are afraid to sue landlords for fear of being thrown out or refused accommodation. The study also reveals that some of the tenants actually convince the landlords to accept the bulk payment because they are afraid the landlords can increase the rent when the short term tenancy expires. But whether the excessive rent advance is demanded by landlords or it is offered by tenants, the institution of rent and its resulting power of *absolute rent* is what sustains the practice. In theory, the courts can intervene on behalf of tenants; in practice they are unwilling to do so, preferring the issue to be settled between landlords and tenants with the Rent Control Department as referee. The difficulty, of course, is that landlords and tenants are unequal and hence 'settlements' continue to reflect the unequal relations between tenants and landlords in ways that make rental tenure insecure.

However, none of these dynamics suggests that landlords politically control the system of housing in Ghana. Indeed, as the historical and content analyses show, the evolution and transformation of housing policy in Ghana is the product of the activities of local and global institutions in historical and in contemporary times. An outwardly political lobby by a landlord class is, in the Ghanaian case at least, not borne out by the evidence. Neither is the rise in rental values in the study areas the result of a contribution by landlords. Indeed, as the surveys show, landlords make minimal contribution to improving the quality of rental

housing. So, it is not the additional investment in housing that drives up rental values. Instead, as our multiple regression analyses show, it is location (enriched by public investment investment) which is the most influential factor in determining rental values in Accra and Tema cities of Ghana. In this sense too, the claims by public choice analysts is not supported.

These findings clearly show that the rental housing dynamics in Ghana can better be explained by the Georgist-Marxist-Institutional complex (G-M-I complex) rather than public choice analysis, even if the G-M-I complex itself must also be qualified. Rent is socially created, but it is privately appropriated consistent with the Henry George approach to housing. Rent itself gives landlords the power to charge further rent, so rent has *additional* increasing effect on housing price – inconsistent with the Marxist *differential rent (types 1 and 2)* but consistent with the Marxist notion of *absolute rent*. There is no clear evidence of *monopoly rent* per se because landlords do not show any power to exclude other landlords from the rental housing market, but as there are few landlords, perhaps it might be argued that monopolistic competition (and hence a new category of rent, what we call ‘monopolistic rent’ cf. Marx’ monopoly rent) can contribute to the formation of rents in Ghana. The multiple institutional influences on both housing policy and rental price determination will suggest that an institutionalist interpretation of rental housing in Ghana is also far more convincing than a public choice reading of the Ghanaian experience.

Aside these *analytical* implications of our findings, there are also some critical *policy* implications. While a detailed exposition of this alternative approach to housing is beyond the scope of this study, it is useful to highlight a few aspects of this alternative, if this paper is to be seen as more than a mere critique of public choice theory.

Rent control as a policy instrument cannot address the complexity of the rental housing experience among others characterised by poor quality housing, arbitrary rent increases, and the private appropriation of socially created rent. Indeed Henry George wrote against rent control in *Progress and Poverty*, while Frederick Engels dismissed it as a serious option in *The Housing Question*. So housing policy must look at other avenues for change. If rent is taxed for example not just as an administrative tool but to address the power imbalances between landlords and tenants as argued by Georgist political economists, it can *result* in: (a) making rental housing more affordable; (b) limiting the power of landlords; (c) increasing public funds for investment in public rental housing; and (d) leaving some funds for

investment in safe, affordable, and effective public transport to enhance the public rental housing experience.

The link between rent tax and housing affordability has recently been started forcefully by the Georgist economist Dodson (2017, p.7): 'The taxation of rent does not eliminate rent, it merely redirects rent to the community to pay for public goods and services. By eliminating the potential to profit by speculation in land, the supply of locations brought to the market in competition with one another would tend to bring down rental values, at least until population growth increased the competition for well-situated locations'.

A rent tax limits the power of landlords because it makes them less wealthy and makes the community less dependent on their decisions. By capturing the windfall currently appropriated by landlords, a willing Georgist State increases its power as its resources for public use increase for investment in safe, affordable, and effective public transport to enhance the public rental housing experience.

A Georgist rent tax can also *enhance* living wages because, with less rent, the share of wages that is paid as rent is expected to fall. In turn, renters can have a bit more money to improve their rental accommodation by themselves and claim back the cost from landlords, for example, as a deduction from rent.

One way to reflect on the feasibility of the Georgist program is to look at the operation of the current rent tax in Ghana. Fortunately, we are served by Obeng-Odoom's analysis of this taxation regime (see, for a detailed discussion, Obeng-Odoom, 2014, pp. 156-161), so only brief comments are needed here. The existing tax is neither Georgist in its philosophy (it is a mere revenue generation tool) nor Georgist in its design (it is a flat rate), so its poor record cannot be seen analytically as evidence against the implementation of a Georgist housing policy. Yet, two experiences with this rental program pose difficult questions for Georgists. First, most rental activities are neither recorded nor known to the authorities so a program of taxation whether Georgist or any other faces an uphill task. Second, the technical expertise at the Ghana Revenue Authority on rental valuation is quite modest. So, again, a Georgist (or any other) program of taxation would need to first address certain major infrastructural obstacles. Street-naming programs in the urban centres of Ghana together with recent programs to improve information for public administration can be useful points of departure, but more can be done (e.g., re-invigorating unit committees in the urban governance structure of the country).

A full Georgist programme would also mean removal of taxes from incomes which together with the implementation of a Marxist program ranging from the total abolition of worker exploitation to the progressive improvement of the social conditions of labour can collectively enable labour to be able to afford better quality housing. But, as noted, the details of this alternative program of housing are beyond the scope of this work.

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Table 1: Rental Housing Changes, pre-colonial times to date

Key Changes	Pre-Colonial	Colonial	Postcolonial	Neoliberal
Housing Provider	Families, Communities, and Chiefdoms	Colonial State	Postcolonial State	Neoliberal State
Idea of Housing	Social Right	Privilege of state employees and service staff	Right	Commodity
Rent determination and institutions	No Rentals	State and petty landlord Rentals	State and rent-controlled private rentals	Open market rentals
Rental Housing Form	Not Applicable	Bungalows, flats, and compound housing	Flats, bungalows, and compound housing	Flats, compound housing, and gated housing

Sources: Based on Peil (1976); Tipple (1988); Malpezzi et al. (1989); Konadu-Agyemang (2001); Yeboah (2005); Arku (2009), Arku et al. (2012), Obeng-Odoom (2011a; 2011b)

Table 2: Regression results

Variables	Coefficient	T-value
Number of rooms	0.2231	6.06
Location		
Upper market	0.8973	14.41
Gated market	0.6312	10.25
Emerging market	0.2315	7.65
Middle income market	-0.0934	2.07
Dwelling type		
Detached	0.6223	9.27
Semi-detached	0.3817	6.43
Condition		
Good	0.1813	5.67
Average	0.0928	3.02
Adjusted R ²	0.7182	